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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

KIRVER VILLEGAS, individually, and on behalf of all others similarly situated, *Plaintiff*, vs. GENESIS LOGISTICS, INC., a California corporation; STAFFMARK INVESTMENT, LLC, a limited liability company; and DOES 1 through 10, inclusive, *Defendants*.	Case No.: 24STCV05560 [*Assigned for All Purposes to the Hon. Elihu M. Berle, Dept. 6*] **PAGA SETTLEMENT AGREEMENT** Complaint filed: March 5, 2024 Trial date: Not set

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Kirver Villegas ("Plaintiff"), defendant Genesis Logistics Inc. ("Defendant Genesis"), and defendant Staffmark Investment LLC ("Defendant Staffmark"). Defendant Genesis and Defendant Staffmark are referred to collectively as "Defendants." The Agreement refers to Plaintiff and Defendants collectively as "Parties," or individually as "Party."

1. <u>DEFINITIONS.</u>

1.1. "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Defendants captioned Villegas v. Genesis Logistics, Inc, et al., initiated on March 5, 2024, and pending in the Superior Court of the State of California, County of Los Angeles, Case No. 24STCV05560.

1.2. "Administrator" means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of the Settlement.

1.4. "Aggrieved Employee(s)" means all current and former non-exempt, hourly temporary employees employed by Defendant Staffmark and placed with Defendant Genesis in California at any time during the PAGA Period.

1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendants' possession, including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement Agreement.

1.8. "Court" means the Superior Court of California, County of Los Angeles.

1.9. "Defendants" mean Genesis Logistics, Inc. and Staffmark Investment, LLC, the named defendants in the Action.

1.10. "Defense Counsel" means (1) Fisher & Phillips LLP, the attorneys representing Defendant Genesis, and (2) Atkinson, Andelson, Loya, Ruud & Romo, the attorneys representing Defendant Staffmark in the Action.

1.11. "Effective Date" means the date the Court's order approving the settlement and judgment thereon ("Judgment") becomes final. The Court's Judgment "becomes final" upon the later of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Court's Judgment (i.e., sixty (60) calendar days after notice of entry of the Court's Judgment); (ii) if an appeal is filed, the date affirmance of an appeal of the Judgment becomes final; or (iii) if an appeal is filed, the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Judgment.

1.12. "Gross Settlement Amount" means $217,500.00, which is the total amount Defendants agree to pay under the Settlement, except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff's Enhancement Fee, and the Administrator's Expenses.

1.13. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.14. "Judgment" means the judgment entered by the Court based upon the Order granting Approval of the Settlement.

1.15. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code § 2699(i).

1.16. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code § 2699(i).

1.17. "Net Settlement Amount" constitutes the amount available from the Gross Settlement Amount to distribute as PAGA Penalties. The Net Settlement Amount is equal to the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Plaintiff's Enhancement Fee, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to the LWDA as the LWDA PAGA Payment and to the Aggrieved Employees as Individual PAGA Payments.

1.18. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq*.).

1.19. "PAGA Approval Motion" means any motion filed with the Court that seeks approval of this Settlement.

1.20. "PAGA Counsel" means Moon Law Group, PC, the attorneys representing Plaintiff in the Action.

1.21. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee, employed by Defendant Staffmark and placed with Defendant Genesis for at least one day during the PAGA Period.

1.22. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.23. "PAGA Notice" means Plaintiff's original letter to Defendant and the LWDA providing notice pursuant to Labor Code § 2699.3(a). The PAGA Notice is attached here as **Exhibit A**.

1.24. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved and 75% to the LWDA in settlement of PAGA claims.

1.25. "PAGA Period" means the period from March 5, 2023, to May 2, 2025, or until entry of the Approval Order, whichever is sooner.

1.26. “Plaintiff” means Kirver Villegas, the named plaintiff in the Action.

1.27. “Plaintiff Enhancement Fee” means the payment in the amount of up to $2,500.00 to Plaintiff, Kirver Villegas, for initiating the Action and providing services in support of the Action.

1.28. “Released PAGA Claims” means the claims being released as described in Paragraph 5 below.

1.29. “Released Parties” means Defendants, and specifically includes Staffmark Investment LLC, Staffmark Group, LLC, Advantage Technical Resourcing, Inc., Advantage Human Resourcing, Genesis Logistics Inc., and each of their past and present divisions, affiliates, affiliated entities, related entities, parents, subsidiaries, predecessors, successors, joint ventures, assigns, and their respective shareholders, owners, officers, directors, employees, agents, trustees, attorneys, managers, operators, insurers, representatives, administrators, fiduciaries, beneficiaries, subrogees, executors, partners, privies, representatives, consultants, attorneys, and any individual or entity that could be jointly liable with Defendants.

1.30. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. <u>RECITALS.</u>

2.1. On March 5, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for failure to pay minimum and straight time wages; failure to pay overtime wages; failure to provide meal periods; failure to authorize and permit rest periods; failure to indemnify necessary business expenses; failure to timely pay final wages at termination; failure to provide accurate itemized wage statements; and unfair business practices. On May 9, 2024, Plaintiff filed a First Amended Complaint alleging causes of action against Defendants for civil penalties under the Private Attorneys General Act of 2004 (“PAGA”). The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”) On August 6, 2024, through the Parties’ stipulation and

Order of the Court, the class claims were dismissed without prejudice against Defendants and the putative class, leaving only Plaintiff's individual Labor Code claims for damages and the single cause of action under the PAGA for civil penalties as set forth in the Operative Complaint. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the Operative Complaint, and deny any and all liability for the causes of action alleged.

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2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

2.3. On April 2, 2025, the Parties participated in an all-day mediation presided over by Tripper Ortman, Esq., which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, time and payroll data, policy documents, and the number of aggrieved employees and pay periods at issue.

2.5. The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. <u>MONETARY TERMS.</u>

3.1. <u>Gross Settlement Amount</u>. Except as otherwise provided by Paragraph 8 below, Defendants promises to pay $217,500.00 and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2. <u>Payments from the Gross Settlement Amount</u>. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the PAGA Approval:

3.2.1. <u>To Plaintiff</u>: Plaintiff's Enhancement Fee to the Plaintiff of not more than $2,500.00 (in addition to any Individual PAGA Payment the Plaintiff is entitled to receive as an Aggrieved Employee), as approved by the Court. Defendants will not oppose Plaintiff's request for an Enhancement Fee that does not exceed this amount. Plaintiff's Enhancement Fee will be reported using IRS Form 1099. Plaintiff assumes full responsibility and liability for any taxes owed on the Plaintiff's Enhancement Fee.

3.2.2. <u>To PAGA Counsel</u>: A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be $72,500.00, subject to the escalator clause, and a PAGA Counsel Litigation Expenses Payment of not more than $25,000.00. The amounts paid as the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment are both subject to Court approval. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion of the PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for any taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment. PAGA Counsel holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. <u>To the Administrator</u>: An Administrator Expenses Payment not to exceed $8,000.00, except for a showing of good cause and as approved by the Court.

Phoenix Settlement Administrators was selected by the Parties, based on its not-to-exceed bid of $5,950.00 for administration services.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the estimated amount of at least $109,500.00 to be paid from the Gross Settlement Amount, with 75% (estimated to be no less than $82,125.00) allocated to the LWDA PAGA Payment and 25% (estimated to be no less than $27,375.00) allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of the PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. To the extent required by law, Individual PAGA Payments will be reported for tax purposes using IRS form 1099. Tax forms, if required, will be issued by the Administrator.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) calendar days after the Effective Date.

4.2. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, Plaintiff's Enhancement Fee, the Administration Expenses Payment, the PAGA Counsel Fee Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of Plaintiff's Enhancement Fee, the PAGA Counsel Fee Payment, and the PAGA Counsel

Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.2.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 calendar days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database. Included with each check will be a one-page letter describing the nature of the Individual PAGA Payment. A copy of that letter is attached hereto as **Exhibit B**. The letter may be modified as directed by the Court without requiring any amendment of this Settlement, and the original Exhibit B shall be removed from the Settlement and replaced with any revised version of the letter.

4.2.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.2.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee who did not cash the check.

4.2.4. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS.

Effective on the date when Defendants fully fund the entire Gross Settlement Amount, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release: Plaintiff and his respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from any and all charges, complaints, claims, promises, agreements, controversies, suits, demands, costs, losses, debts, actions, causes of action, damages, judgments, obligations, liabilities and expenses of whatever kind and character, known or unknown, suspected or unsuspected, including any claims for attorneys' fees and costs, except claims that the law does not permit Plaintiff to waive by signing this Agreement, which Plaintiff now has, owns, holds, or claims to have, own, or hold, or may have had, owned, or held, or may claim to have, own, or hold against Released Parties, or any of them, regarding events that have occurred in connection with or related to Plaintiff's employment relationship with Defendants, or any acts of Released Parties, including, without limitation, any and all claims that have or could have been asserted in the Action, any claims that in any way relate to the facts and circumstances alleged in the Action. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Plaintiff's employment with Defendants. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.2. Released PAGA Claims: Through execution of this Agreement, the Released PAGA Claims will include all PAGA claims and civil penalties, as alleged in the Action and/or Plaintiff's PAGA Notice or that could have been asserted in the Action or the PAGA Notice based on the facts alleged, arising from or related to the following claims against Defendants: for meal and rest breaks; unpaid wages, including minimum wages, regular wages, overtime and double time wages, sick pay; vacation pay, meal and rest break premiums; wage statement violations; untimely wages during employment and wages due upon termination; failure to reimburse necessary business expenses; and including the Labor Code Sections 201-204, 210, 226, 227.3, 510, 558, 1174, 1174.5, 1194, 1197.1, 1198, 2802; and applicable wage orders ("PAGA Released Claims."). The release shall apply to Plaintiff, the Aggrieved Employees, the LWDA, and the State of California during the PAGA Period. The Aggrieved Employees are only releasing their claims under Labor Code 2698, *et. seq*. and are not releasing any other claims. The PAGA Notice is attached here as **Exhibit A**.

5.3. Release of Additional Fees by PAGA Counsel: Other than those fees awarded by the Court pursuant to this Settlement, PAGA Counsel release, on behalf of their present and former attorneys, employees, agents, successors, and assigns, the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice. PAGA Counsel will receive only those fees awarded by the Court pursuant to this Settlement.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

Plaintiff shall file a PAGA Approval Motion.

6.1. Responsibilities of PAGA Counsel.

6.1.1. Drafting of the PAGA Approval Motion. PAGA Counsel will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds, or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel, or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents; and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator.

6.1.2. Filing the PAGA Approval Motion. PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than sixty (60) calendar days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion.

6.1.3. Delivery of the Approval Order to the Administrator. PAGA Counsel is responsible for delivering the Approval Order to the Administrator.

6.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the PAGA Approval Motion of this Settlement or conditions its approval on any material change to this Agreement, PAGA

Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation § 468B-1.

7.4. Aggrieved Employee Data. Within fourteen (14) calendar days after the Effective Date, Defendants will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

7.5. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or as otherwise required by an order of the Court or operation of law.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, Defendant Staffmark estimates that there are approximately 415 Aggrieved Employees who worked 9,165 Pay Periods during the PAGA Period. If the number of Pay Periods during the PAGA Period exceeds 9,165 by more than ten percent (*i.e.*, if the Pay Periods exceed the estimate by more than 917 Pay Periods), then Defendants have two options.

8.1. Option One: Increase the Gross Settlement Amount. Defendants may elect to increase the Gross Settlement Amount proportionally by the Pay Periods in excess of 10,082 Pay Periods (for example, if the Pay Periods are 11% higher than the estimate of 9,165, then the Gross Settlement Amont amount will increase by 1%).

8.2. Option Two: Truncate the PAGA Period. Defendants may elect to shorten the PAGA Period so that the Pay Periods in the PAGA Period do not exceed 10,082 Pay Periods.

8.3. Deadline to Confirm Pay Period Count and Make Any Election Regarding Options. Defendants must confirm the actual Pay Period count no later than thirty (30) days after this Agreement is fully executed by all Parties. In the event that the number of Pay Periods exceeds 10,082 Pay Periods, Defendant must specify no later than thirty days (30) days after this Agreement is fully executed by all Parties, whether the Gross Settlement Amount will be increased proportionally by the Pay Periods in excess of 10,082 Pay Periods (Option One) or the PAGA Period will be truncated to an end date when Pay Periods were equal to or less than 10,082 (Option Two). If Defendants do not make an election within thirty (30) days after this Agreement is fully executed by all Parties, then Option One will be implemented, and the Gross Settlement Amount will be increased proportionally by the Pay Periods in excess of 10,082 Pay Periods.

9. CONTINUING JURISDICTION AND WAIVER OF RIGHT TO APPEAL.

9.1. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.2. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' defenses. The Settlement, this Agreement, and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.4. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.5. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

10.6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court, except where this Agreement expressly permits modifications to **Exhibit B** without further amendment of this Agreement.

10.8. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

10.10. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

10.11. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.12. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code § 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) calendar days after the Administrator discharges its obligation to pay out all

Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants make a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

10.13. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

10.14. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.15. Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Kane Moon, Esq.
H. Scott Leviant, Esq.
Sandy Pham, Esq.
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To Defendant Genesis:

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To Defendant Staffmark:

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Cerritos, California 90703
E-mail: ssteward@aalrr.com
E-mail: joshua.lange@aalrr.com

10.16. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that, upon the signing of this Agreement, that pursuant to Code of Civil Procedure § 583.330 they stipulate to extend the date to bring a case to trial under Code of Civil Procedure § 583.310 for the entire period of this settlement process.

Plaintiff: **PLAINTIFF, KIRVER VILLEGAS**

Dated: 7/11/2025 By: DocuSigned by: Kirver Villegas 431DE8ACFA9841F...

Kirver Villegas

Defendant: **DEFENDANT, GENESIS LOGISTICS INC.**

Dated: 7/3/2025 By: Andrew Etter

Print Name

Signature

Associate General Counsel

Title

Defendant: **DEFENDANT, STAFFMARK INVESTMENT, LLC**

Dated: ____________________ By: ______________________________

Print Name

____

Signature

____

Title

Plaintiff: **PLAINTIFF, KIRVER VILLEGAS**

Dated: ____________________ By: ______________________________

Kirver Villegas

Defendant: **DEFENDANT, GENESIS LOGISTICS INC.**

Dated: ____________________ By: ______________________________

Print Name

____

Signature

____

Title

Defendant: **DEFENDANT, STAFFMARK INVESTMENT, LLC**

Dated: Jun 16, 2025 By: Suzanne Perry

Print Name

Suzanne Perry

Suzanne Perry (Jun 16, 2025 18:08 EDT)

Signature

CPO

Title

PAGA Counsel: **MOON LAW GROUP, PC**

Dated: July 11, 2025

By: ______________________

Kane Moon, Esq.
H. Scott Leviant, Esq.
Sandy Pham, Esq.

Attorneys for Plaintiff, Kirver Villegas

Defendant Genesis' Counsel: **FISHER & PHILLIPS LLP**

Dated: 07-03-2025

By: ______________________

Boris Sorsher, Esq.
Kristina Noel A. Buan, Esq.

Attorneys for Defendant, Genesis Logistics, Inc.

Defendant Staffmark's Counsel: **ATKINSON, ANDELSON, LOYA, RUUD & ROMO**

Dated: ______________________

By: ______________________

Susan M. Steward, Esq.
Joshua N. Lange, Esq.

Attorneys for Defendant, Staffmark Investment LLC

PAGA Counsel: **MOON LAW GROUP, PC**

Dated: ____________________ By: ____

Kane Moon, Esq.
H. Scott Leviant, Esq.
Sandy Pham, Esq.

Attorneys for Plaintiff, Kirver Villegas

Defendant Genesis' Counsel: **FISHER & PHILLIPS LLP**

Dated: ____________________ By: ____

Boris Sorsher, Esq.
Kristina Noel A. Buan, Esq.

Attorneys for Defendant, Genesis Logistics, Inc.

Defendant Staffmark's Counsel: **ATKINSON, ANDELSON, LOYA, RUUD & ROMO**

Dated: July 1, 2025 By: ____

Susan M. Steward, Esq.
Joshua N. Lange, Esq.

Attorneys for Defendant, Staffmark Investment LLC

EXHIBIT A

MOON LAW GROUP, PC
ATTORNEYS AT LAW
WWW.MOONYANGLAW.COM

1055 W. SEVENTH ST., SUITE 1880
LOS ANGELES, CALIFORNIA 90017
TELEPHONE: (213) 232-3128
FACSIMILE: (213) 232-3125

Kane Moon, Esq.
kmoon@moonlawgroup.com

March 5, 2024

VIA ONLINE SUBMISSION
Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

VIA CERTIFIED MAIL
Genesis Logistics, Inc.
360 Westar Blvd.
Westerville, OH 43082

VIA CERTIFIED MAIL
Staffmark Investment, LLC
191 Rosa Parks Street, 10th Floor
Cincinnati, OH 45202

Notice of Labor Code Violations and PAGA Penalties

Re: ***Kirver Villegas v. Genesis Logistics, Inc., and Staffmark Investment, LLC***

To Whom It May Concern:

Please be advised that my office has been retained by Kirver Villegas ("Plaintiff") to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer, Genesis Logistics, Inc. and Staffmark Investment, LLC (collectively referred herein as "Defendants"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendants engaged in with respect to Plaintiff and all of Defendants' aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of Plaintiff as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendants in California as an hourly paid, non-exempt employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Plaintiff and the Aggrieved Employees of Defendants suffered the Labor Code violations described below.

<u>Factual Background Regarding Plaintiff's Employment with Defendants</u>

Defendants own and operate an industry, business, and establishment within the State of California, including Los Angeles County. As such, Defendants are subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission ("IWC").

Plaintiff worked for Defendants as a loader from approximately June 19, 2022 to March 9, 2023, primarily in Los Angeles County. Defendants classified Plaintiff as non-exempt from overtime. During the time period that Plaintiff was employed by Defendants, Plaintiff typically worked at least 5 days per week, and in excess of 8 hours each workday.

Throughout Plaintiff's employment, Defendants committed numerous labor code violations under state law. As discussed below, Plaintiff's experience working for Defendants was typical and illustrative.

<u>Failure to Pay for All Hours Worked, Including Overtime</u>

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Throughout the statutory period, Defendants maintained a policy and practice of not paying Plaintiff and the Class for all hours worked, including all overtime wages. Plaintiff and the Class were required to work "off the clock" and uncompensated. For example, Plaintiff and the Class were sometimes required to wait until the time clocks were available in order to log into work, and when returning from meal breaks. Also throughout the statutory period, Plaintiff and the Class received non-discretionary bonuses and other remuneration. However, Defendants failed to incorporate all remuneration when calculating the correct overtime rate of pay, sick day rate of pay, and meal break premium rate of pay, leading to underpayment to Plaintiff and the Class.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendants wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendants regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Defendants did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendants did not have adequate written policies or practices providing meal periods for Plaintiff and the Aggrieved Employees, nor did Defendants have adequate policies or practices regarding the timing of meal periods. Defendants also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required meal periods. Accordingly, Defendants' policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Defendants, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendants regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendants authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Defendants did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendants did not have adequate policies or practices permitting or authorizing rest periods for Plaintiff and the Aggrieved Employees, nor did Defendants have adequate policies or practices regarding the timing of rest periods. Defendants also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required rest periods. Further, Defendants did not maintain accurate records of employee work periods, and therefore Defendants cannot demonstrate that Plaintiff and the Aggrieved Employees took rest periods during the middle of each work period. Accordingly, Defendants' policy and practice was for Plaintiff and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendants, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendants' failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendants' records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendants. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendants to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendants' knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

<u>Failure to Reimburse and Indemnify Expenses</u>

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendants wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendants without reimbursement, which included the occasional use of personal cellular telephones for work purposes and the maintenance of protective gear.

Plaintiff and the Aggrieved Employees incurred these substantial expenses as a direct result of performing their job duties for Defendants, and Defendants have failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

<u>Failure to Pay All Accrued Vacation Wages at Termination</u>

Labor Code § 227.3 requires employers to pay employees for all unused vested vacation time at their final rate of pay upon termination of their employment.

During the statutory period, Defendants maintained a policy and practice of failing to pay Plaintiff and the Aggrieved Employees the correct amount of vacation pay owed at the termination of employment. For instance, when Plaintiff's employment with Defendants terminated, he was owed vacation wages at his true final wage rate on his final pay check from Defendants even though he had accrued unused vacation time. On information and belief, Defendants' failure to pay Plaintiff the correct amount of vacation pay was not a single, isolated incident, but was instead part of Defendants' policy and practice that applied to the Aggrieved Employees.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to pay all accrued vacation wages at termination.

<u>Failure to Timely Pay All Wages at Termination</u>

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e. was terminated by quitting or discharge, and the employment of others will be. However, during the relevant time period, Defendants failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendants' employ. These unpaid wages include wages for unpaid work time (including minimum and straight time wages), missed meal periods, and missed rest periods.

Defendants' conduct violates Labor Code §§ 201 and 202.Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendants their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Defendants intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify hourly rates, the failure to correctly list gross wages earned, and the failure to list the true net wages earned, including wages for meal periods that were not provided in accordance with California law, wages for rest periods that were not authorized and permitted to take in accordance with California law, and correct wages earned for all hours worked.

As a result of Defendants violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendants the greater of their actual damages caused by Defendants' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding $4,000 dollars per employee.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendants also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all such times, Defendants systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendants, all wages for all rest periods not authorized and permitted by Defendants, and all wages for all hours worked. As a result, Defendants owe employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendants violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;

2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;

3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;

4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;

5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;

6. Labor Code § 227.3 by failing to pay all vacation wages at termination;

7. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;

8. Labor Code § 226 by failing to provide accurate itemized wage statements; and

9. Labor Code § 204 by failing to pay all earned wages two times per month.

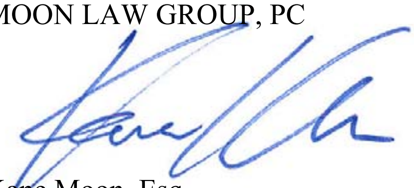
Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2).

Plaintiff has placed Defendants on notice by mailing a certified copy of this correspondence to itscorporate address, as indicated on the first page.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

MOON LAW GROUP, PC



Kane Moon, Esq.
Attorney at Law

EXHIBIT B

NOTICE OF PAGA SETTLEMENT AND RELEASE OF CLAIMS

Villegas v. Genesis Logistics, Inc, et al.
(Los Angeles County Superior Court, Case No. 24STCV05560)

I. NOTICE OF PAGA SETTLEMENT

The Los Angeles County Superior Court (the "Court") has approved a settlement in the lawsuit named above and filed by Kirver Villegas ("Plaintiff") on behalf of himself, the State of California, and all other "aggrieved employees" against Defendant Genesis Logistics Inc. ("Defendant Genesis") and Defendant Staffmark Investment LLC ("Defendant Staffmark") (Defendant Genesis and Defendant Staffmark are, collectively, referred to herein as "Defendants").

In this lawsuit, Plaintiff alleges that Defendants violated the California Labor Code by failing to: (1) pay minimum and regular rate wages; (2) pay overtime compensation; (3) provide meal periods; (4) authorize and permit rest breaks; (5) timely pay final wages at termination; (6) furnish accurate itemized wage statements; (7) maintain accurate record of hours worked; and (8) pay all wages during employment. Plaintiff is solely seeking civil penalties on behalf of the California Labor and Workforce Development Agency ("LWDA") and other aggrieved employees under the Private Attorneys General Act ("PAGA").

Defendants deny these allegations. Defendants maintain that they were in compliance with the California Labor Code at all times and enter into this Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

The Court has not made a determination about Plaintiff's allegations. This Notice is not to be understood as a statement of any opinion by the Court as to the merits of the claim. You are receiving this Notice because you are in the group of employees referred to as the "Aggrieved Employees" defined as: All current and former non-exempt, hourly temporary employees employed by Defendant Staffmark and placed with Defendant Genesis in California at any time during the PAGA Period.

II. CALCULATION OF INDIVIDUAL PAGA PAYMENT

Pursuant to the terms of the Settlement Agreement, your individual PAGA payment is [**CheckAmount**].

Each individual PAGA payment is based on the number of pay periods worked by each Aggrieved Employee in the PAGA Period divided by the total number of pay periods worked by all Aggrieved Employees. "PAGA Period" refers to the time period from March 5, 2023, through _____.

III. RELEASE

The Court has approved the parties' Settlement Agreement ("Settlement"). By operation of the Settlement's terms, Plaintiff, on behalf of himself and the State of California, fully releases and forever discharges the Released Parties from any and all Released Claims. As a result of this release, Aggrieved Employees will be unable to bring a claim under, or recover in any other claim brought under, the California Private Attorneys General Act, California Labor Code §§ 2698 *et seq*., for any violations of the Released Claims that took place during the PAGA Period.

"Released Parties" means Defendants, and specifically includes Staffmark Investment LLC, Staffmark Group, LLC, Advantage Technical Resourcing, Inc., Advantage Human Resourcing, Genesis Logistics Inc., and each of their past and present divisions, affiliates, affiliated entities, related entities, parents, subsidiaries, predecessors, successors, joint ventures, assigns, and their respective shareholders, owners, officers, directors, employees, agents, trustees, attorneys, managers, operators, insurers, representatives, administrators, fiduciaries, beneficiaries, subrogees, executors, partners, privies, representatives, consultants, attorneys, and any individual or entity that could be jointly liable with Defendants.

IV. SETTLEMENT ADMINISTRATOR

You may call the Settlement Administrator, ___________ toll free at 1(XXX) XXX-XXXX with any questions.

Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to the Controller of the State of California within thirty (30) calendar days of their expiration, to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq*., for the benefit of those Aggrieved Employees who did not cash their checks, until such time that they claim their property. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

PLEASE DO NOT CONTACT THE COURT ABOUT THIS NOTICE